



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 284** SLS 12RS 204

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action: **w/ HSE COMM AMD**

Proposed Amd.:

Sub. Bill For.:

Date: May 22, 2012	2:02 PM	Author: CORTEZ
Dept./Agy.: Higher Education		
Subject: Merges Campuses to Create the South La. Comm. College		Analyst: Charley Rome

COMMUNITY TECH SYSTEMRE1 +\$3,000,000 SG RV See Note

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Merges certain La.Technical College campuses with South Louisiana Community College. (gov sig)

Proposed law merges the Acadian, Charles B. Coreil, Evangeline, Gulf Area, Lafayette, T. H. Harris, and Teche Area campuses of the Louisiana Technical College (LTC) with South Louisiana Community College (SLCC) and transfers all funds, obligations, property, programs, facilities, and functions relative to these technical college campuses to SLCC effective July 1, 2012 or at the appropriate time thereafter by formal action taken by the LCTCS board. Further provides that each such campus shall be considered a part of, and under the management of, the LTC until the merger of each campus is effected. Proposed law provides that all GRAD Act performance agreements currently in effect shall remain in effect until such time as the performance agreement between SLCC and the Bd. of Regents is modified and certified by the LCTCS Bd. of Supervisors.

(Bill Summary Continued on Page Two)

EXPENDITURES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$15,000,000
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$15,000,000

REVENUES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
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Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$15,000,000

EXPENDITURE EXPLANATION

Expenditures funded with self-generated tuition revenues will increase by an estimated maximum amount of \$3 million per year beginning in Fiscal Year 2012-13 due to the proposed legislation. However, the expenditure increase in FY13 could be less than \$3 million depending on the actual merger date adopted by the LCTCS Board. Implementation costs for creation of South Louisiana Community College in FY13 include one-time start-up costs of \$800,000 and recurring costs of \$2.2 million per year, annualized to \$3 million in recurring costs in FY14 and thereafter. Specific first year FY13 expenditures include the following: 1) \$1,125,000 for 30 full-time instructors funded for 9 months; 2) \$108,000 for 40 adjunct instructors funded for 9 months; 3) \$104,000 for 4 counselors funded for 6 months; 4) \$200,000 in one-time costs for signage, printed materials, web design, and advertising costs; 6) \$50,000 in one-time costs for expenses related to Southern Association of Colleges (SACS) accreditation requirements; 7) \$863,000 for 23 career and technology full-time instructors funded for 9 months; and 8) \$550,000 in one-time costs for renovations and upgrades to the technical education shop. Costs in FY14 and thereafter include recurring costs of \$3 million for FY13 described above and for annualized salaries/benefits for positions filled in FY13.

REVENUE EXPLANATION

Self-generated revenues from tuition and fees will increase by an estimated \$3 million per year in FY13 and thereafter due to the proposed legislation. Tuition charged on a per credit hour basis is greater for community colleges than for technical colleges. In FY13 and thereafter, South Louisiana Community College will increase tuition per credit hour by \$36, beginning with one hour, up to a maximum increase of \$432 for 12 hours per semester (full-time enrollment, 12 hours X \$36 per hour = \$432). As such, tuition revenues will increase by \$3 million in FY13 and thereafter based on 83,333 credit hours and an increase of \$36 per credit hour (83,333 credit hours per year X \$36 increase per credit hour = \$3 million annual increase in tuition.

Senate	Dual Referral Rules	House	<i>Evan Brasseaux</i>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input checked="" type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}	
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input checked="" type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	Evan Brasseaux Staff Director



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CONTINUED EXPLANATION from page one:
(Bill Summary Continued from Page One)

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Proposed law provides that SLCC shall provide educational programs and services through the locations and facilities that served as the Acadian, Charles B. Coreil, Evangeline, Gulf Area, Lafayette, T. H. Harris, and Teche Area campuses of the La. Technical College and through any other postsecondary campus or institution which may become a part of SLCC or its primary service delivery area. Proposed law provides that any student enrolled in a program or course of study at the Acadian, Charles B. Coreil, Evangeline, Gulf Area, Lafayette, T. H. Harris, or Teche Area campuses of the LTC shall be permitted to complete such program or course of study at no greater cost or conditions than those applicable to the student prior to the merger of such campuses with SLCC, provided all applicable aid and scholarships are first applied to the student's cost of attendance and the student completes his program or course of study within two years of such merger. Proposed law provides that the LCTCS Bd. of Supervisors shall review the programs and employees of the Acadian, Charles B. Coreil, Evangeline, Gulf Area, Lafayette, T. H. Harris, and Teche Area campuses of the LTC and SLCC and provide for an employee transition at all affected institutions and campuses consistent with effective and efficient delivery of educational services and the expanded mission of SLCC. Effective upon signature of the governor or lapse of time for gubernatorial action.

Senate

Dual Referral Rules

House

<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}	<input checked="" type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}	<input checked="" type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
Evan Brasseaux
Staff Director